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## Cassis: Granholm 'D' doesn't cut it

LANSING – State Sen. Nancy Cassis, citing the CATO Institute's recently released policy analysis, today called on Gov. Jennifer Granholm to embrace the principles of tax policy that are proven to stimulate economic growth and put people back to work.

The "Fiscal Policy Report Card on America's Governors: 2004," graded the nation's governors giving those who cut taxes and spending the most high grades and those who raised taxes and spending the most lower grades. Granholm received a "D."

"While the rest of the states are experiencing economic growth and job creation, Michigan's unemployment rate is still hovering above 7 percent and our economy is stalled," said Cassis, R-Novi. "Governor Granholm must know that a 'D' simply doesn't cut it. Michigan residents expect an 'A' effort from our students, and we expect the same from our governor."

The CATO Institute's analysis shows that states that keep tax rates low and restrain spending growth have the best economic performance and thus the best long-term fiscal health. The analysis also speculates that given the governor's history of lobbying for higher taxes, there is a strong likelihood that her Single Business Tax restructuring plan will "cascade into a series of tax hikes."

In addition, the Small Business Association of Michigan recently gave the state a failing grade for entrepreneurial dynamism, the measure of business growth and the climate for new businesses. The state also scored below average in three other categories, including: business costs, government efficiency and regulatory environment, and small business activity.

A separate study, released by the National Federation of Independent Businesses ranked Michigan last among 26 states surveyed on business conditions. NFIB's research showed that only 15 percent of its members in Michigan thought business conditions were good in their market area.

"Michigan was once a leader in economic growth and business expansion," Cassis said. "In the 1990s, other states followed our lead, making it difficult for Michigan to compete. We must work together to employ fiscal restraint and pursue pro-growth policies that will move Michigan back into the lead. Our state has much to offer, it's time to get Michigan back on top."

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